



President Ronald Reagan smiles as he is applauded by Vice President George Bush, top left, and House Speaker Thomas P. O'Neill Jr. after his State of the Union address.

## Reagan Challenges Congress

### Concessions Seem More Rhetorical Than Substantive

By Hedrick Smith  
New York Times Service

WASHINGTON — President Ronald Reagan couched his second State of the Union address in the language of economic realism and bipartisan cooperation, but set out an overall budget strategy that challenges the Democratic leadership and even some of his Republican allies in Congress.

In an obvious effort to reassert his leadership on the economy and regain lost political momentum, Mr. Reagan listed a range of initiatives capped by a call for a "federal spending freeze," an idea borrowed and adapted from Senator Ernest F. Hollings, a South Carolina Democrat.

But the concessions Mr. Reagan made to the changed political mood in Congress and the country in the face of the growing recession seemed more rhetorical than substantive.

The administration officials have disclosed that the Reagan formula would translate into a significant increase in military spending, accompanied by real cuts in practically every major nonmilitary domestic program, while the president firmly holds the line on the tax cuts that he pushed through Congress in 1981.

Even before Mr. Reagan gave his address, Thomas P. O'Neill Jr. of Massachusetts, the House speaker, and such Republicans as Howard H. Baker Jr. of Tennessee, the Senate majority leader, signaled that Congress would not accept the approach. Mr. Reagan acknowledged the political difficulties ahead, admitting that it was "easier to de-

scire" his program "than it will be to enact."

Mr. Baker had "foreshadowed other political troubles for Mr. Reagan by opposing another of his innovations" Tuesday night — a package of contingency taxes for 1983-85 designed to persuade the financial markets that huge federal deficits can be brought down from about \$200 billion to \$100 billion in 1983.

Even that entails a bitter concession for Mr. Reagan, who had campaigned for him on a pledge to ban-

#### NEWS ANALYSIS

since the budget in 1983. Nonetheless, he chose to stick with the basic economic strategy he has pursued since taking office, rather than make a major midterm correction.

According to a senior White House official, the Reagan budget for 1984, on which Tuesday night's speech was based, would provide for real growth of 9 percent in military spending and a real cutback of 3 percent in the nonmilitary portion of the budget.

Some Republicans sympathetic to the president have been fearful that such an approach is politically so unrealistic that Mr. Reagan runs the risk of having his budget strategy rejected almost out of hand.

Leading applause for Mr. O'Neill and Mr. Baker on the bipartisan agreement on revisions in the Social Security system — which provides retirement benefits and disability payments — Mr. Reagan sought to cheer his nationwide television audience with the theme that "America is on the mend."

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## Ex-Nazi Is Arrested In Bolivia for Fraud

Compiled by Our Staff From Dispatches  
LA PAZ — Klaus Barbie, a former Nazi officer who is accused of having ordered the deaths of thousands of Jews and French resistance fighters, was arrested Friday in connection with fraud, the Bolivian government said.

Mr. Barbie, who was granted Bolivian citizenship in 1957 under the name Klaus Altmann, was known during the war as "the butcher of Lyons," the city where he was the Gestapo chief. He is said to have sent thousands of Jews to their deaths in concentration camps.

He was sentenced to death in absentia in France for crimes including the death by torture of a French resistance leader, Jean Moulin, and the killing of more than 40 children.

Mr. Barbie, 69, was arrested Tuesday after the Bolivian controller charged him with fraud against the state-owned Bolivian Mining Corp. He put up no resistance and was taken to Bolivia's national prison.

Mr. Barbie is accused of signing a contract for delivery of materials to the company and accepting a payment, believed to have been about \$10,000, but not satisfying



Klaus Barbie

the terms of the contract or returning the money.

The arrest followed a recent ruling by the Bolivian attorney general's office that a West German request to extradite Mr. Barbie, made in May, was proper.

Foreign Minister Mario Velarde said Tuesday that Mr. Barbie could face extradition proceedings, but he added that Mr. Barbie's arrest was not linked to the extradition request.

Pressed by reporters on the Foreign Ministry's plan, he said, "We must proceed with extradition."

"We had nothing to do with the arrest of Altmann," Mr. Velarde added. "It was an operation carried out by the Interior Ministry. We are aware of the West German Embassy's extradition demand."

Mr. Barbie's lawyer, Constantino Carrion, said he would appeal Wednesday for his client's release.

The West German request was related to the murder of Jean Moulin, France requested Mr. Barbie's extradition for the murder of Mr. Moulin in 1974 but was turned down.

Mr. Barbie has lived in Bolivia for 31 years and had good relations with a series of right-wing military re-

gimes. But when President Hernan Siles Zuazo took office Oct. 10, his government indicated it would honor the extradition request. Mr. Siles Zuazo has not yet signed an official declaration on the matter.

Mr. Barbie, who still uses the name Altmann, has admitted he was a Nazi commander but denied he was responsible for the deaths.

In Bonn, a Foreign Ministry spokesman said Wednesday that the extradition request stood. West German authorities sent a message in October to underscore the desire for Mr. Barbie's extradition, and Bolivian authorities responded that it was still under consideration.

The main support for Saudi Arabia's policy came from Kuwait,

## Saudi Arabia Reasserts OPEC Role

### Shock Tactics on Pricing Proposals Cause Dissent

By John Tagliabue  
New York Times Service

GENEVA — In trying to win a production-sharing agreement from his colleagues in OPEC, Saudi Arabia's oil minister, Ahmed Zaki Yamani, resorted to shock tactics this week in what seemed to many a risky attempt to reassert his country's role as OPEC's pace-setter.

From conversations with delegates and from comments by Sheikh Yamani at a news conference, his approach at the meeting of the Organization of Petroleum Exporting Countries may be summarized in this way:

The 13 nations must recognize that oil prices have to come down, at least a bit, in an orderly way. If they do not, Saudi Arabia and its allies will lower prices anyway and increase their production to win back the customers they have lost to price discounters within OPEC.

But if maverick discounting is halted, realistic production programs can be drawn up for all members, stability will return to the market and oil revenues will flow equitably.

The consultative session of OPEC had been called to seek an agreement to limit oil production

and thus firm up prices. A tentative agreement apparently was reached the first day, but it unraveled Monday in the dispute over a parallel pricing policy.

Officials from Saudi Arabia, Kuwait, the United Arab Emirates and Qatar have recently expressed concern over the rapid deterioration of the oil market, which has been battered by recession, conservation and an unusually mild winter in the Northern Hemisphere.

OPEC tried in December to attack the issue, but it failed for the third time, to agree on how to divide a shrinking market. The failures have meant that countries such as Libya, Algeria, Nigeria and Iran, which need revenues to pay for development — and, in Iran's case, a war — have continued to shave prices to hang on to customers.

"February will be an interesting month," Sheikh Yamani said.

Saudi Arabia's presentation in Geneva drew mixed comments from most notably, the Iranian delegate, Mohammed Ghaemi, who also accused Sheikh Yamani of subterfuge.

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and thus firm up prices. A tentative agreement apparently was reached the first day, but it unraveled Monday in the dispute over a parallel pricing policy.

The case against Tanaka is seen as a threat to the unity of Japan's ruling party.

Nigeria cases its export order, allowing some workers to stay temporarily.

The U.S. trade deficit widened to a record \$42.7 billion in 1982.

But these desert nations have resorted increasingly to using natural gas, a byproduct of oil, to generate electricity and desalinate sea water.

Because of that, the need for gas effectively puts a floor under oil production, a problem that has been especially acute in Kuwait. As oil output has fallen, the availability of gas has sunk dangerously low.

At the same time, Saudi Arabia and its allies chose to defend prices by cutting production. Saudi Arabia's production has fallen by a third in six months.

The path taken by the Arabian Peninsula nations was relatively painless for them: They have small populations and huge monetary reserves.

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Algeria	6.00 Drs.	Israel	1.50 Drs.
Austria	17.5	Italy	12.00 Lire
Bahrain	6.60 Dm	Iceland	456.75
Belgium	27.8 Fr.	Kenya	16.00
Canada	C\$ 10.00	Lebanon	1.25 Drs.
Denmark	1.50 Dkr.	Lebanon	1.44 Drs.
Egypt	100 P.	Liberia	1.25 Drs.
Finland	5.50 Fim	Liberia	2.25 Drs.
France	4.50 Fr.	Malta	25.00 Drs.
Germany	2.20 Drs.	Morocco	1.50 Drs.
Great Britain	5.00 P.	Monaco	2.50 Drs.
Greece	5.00 Drs.	Netherlands	2.50 Drs.
Iraq	1.25 Drs.	Nigeria	1.75 Drs.

Algeria

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Austria

## Turk Denies Meeting With Agca Businessman Is Wanted in Italy in Pope's Shooting

By Henry Kamm  
New York Times Service

SOFIA — A Turk wanted by Italian magistrates on suspicion of complicity in the shooting of Pope John Paul II said here that he had not met the man who shot the pontiff in 1981.

Bekir Celenk said that in an interview, however, that he had been in Bulgaria at the same time that Mehmet Ali Agca, the man convicted of shooting the pope, was reportedly there. Unconfirmed reports in Italian newspapers have said that Mr. Celenk offered Mr. Agca \$1.25 million in Deutsche marks on behalf of the Bulgarian secret service to shoot the pontiff.

The Bulgarian government has announced that it has detained Mr. Celenk because of the Italian charges.

Diplomats in Sofia believe that Bulgaria has no intention of allowing Mr. Celenk to leave the country should it release him. They suspect that he may for many years have collaborated with Sofia in dealings that, even if they do not include a conspiracy to murder the pope, may constitute illegal trade.

In addition to the warrant issued in Rome in the continuing investigation into the shooting of the

pope, Mr. Celenk's arrest is being sought by another Italian judge on suspicion of a role in arms and narcotics trafficking and by Turkey on charges of arms smuggling, illegal foreign-currency dealings and fiscal irregularities.

Moreover, narcotics agents in many countries, including the United States, have listed Mr. Celenk for more than a decade as a major suspect in heroin and morphine trafficking. He is believed to "launder" the proceeds of heroin sales in West Germany, a major market, through his legitimate businesses.

Mr. Celenk spoke in Turkish to an interpreter, who translated into Bulgarian for a second translator, who then into English.

He said he had lived in Turkey from his birth in 1934 until 1966. A Turkish official said that from adolescence Mr. Celenk had frequently been in trouble with the law and that he was a womanizer. He was sent to Western Europe by his father "to get him out of trouble."

By his own account, he settled in Munich, where he founded an import-export business that dealt in cars and electrical appliances for Turkey and the Middle East. In 1970 he moved to Biel, a center of

the Swiss watch industry, where he worked as a watchmaker and watch exporter, he said.

In 1975 or 1976, he said, he bought a share in a small shipping company in Turkey. He phased out of other interests by 1980, he said, and settled in London to run his shipping concern, Oscar Maritime.

He said that the company now owned three ships and that he owned 70 percent of the company as well as interests in other ships.

In the view of U.S. and Turkish officials, Mr. Celenk, starting soon after his arrival in Western Europe, used his companies in narcotics trafficking and arms smuggling.

According to an American official, Swiss authorities intercepted conversations between Mr. Celenk and known morphine dealers in Turkey in the early 1970s and his name appeared in the address book of a large trafficker arrested in West Germany.

Mr. Celenk said he returned to West Germany last May looking for a new business. He opened an import-export house, Trakia, in Munich and traveled widely throughout Europe on business. He said he was in Bulgaria in July 1980, at the time he is reported to have recruited Mr. Agca, but he



Bekir Celenk at a news conference in Sofia in December.

said he was there only to try to buy a ship.

He said he had met no one who fit Mr. Agca's description, then or at any other time.

He conceded that he had once met Musar Cedar Celebi, who is also a suspect in the investigation into the possible plot against the pope. Mr. Celebi was extradited

earlier this month from West Germany to Italy.

Mr. Celenk said the meeting with Mr. Celebi took place in 1980 in Frankfurt and lasted an hour.

"An old Turkish friend invited me and Celebi was a friend of his," he said. He said he had forgotten about Mr. Celebi until he read about his arrest.

A U.S. official in Jerusalem was quoted in The Post this month as saying Mr. Reagan had sent Mr. Begin a letter this month saying he did not want a meeting to be dominated by details on Israel's presence in Lebanon.

Mr. Hughes said Mr. Begin was "always welcome," but added, "As no date for a meeting has been set, there is presumably a meeting of the minds that it's not opportune" for President Ronald Reagan and Mr. Begin to meet so long as "Lebanon dominates the discussion."

Mr. Hughes said "if Lebanon is still a problem, the two would be diverted from discussing other matters" such as the wider peace process.

A U.S. official in Jerusalem was quoted in The Post on Tuesday as saying Mr. Reagan had sent Mr. Begin a letter this month saying he did not want a meeting to be dominated by details on Israel's presence in Lebanon.

Mr. Reagan "wants not just progress, but an agreement on withdrawal," the official was quoted as saying. "The president doesn't want to spend time hashing out minor details."

In Jerusalem, Mr. Begin told the American-Israel Public Affairs

## Bonn Aide Sees Unity In Alliance

Genscher Says Reagan Promises Cooperation

The Associated Press

WASHINGTON — Foreign Minister Hans-Dietrich Genscher of West Germany said after meeting Wednesday with President Ronald Reagan that Mr. Reagan "emphasized the United States' act in full agreement with its all-in arms control talks with the Soviet Union."

Emerging from the meeting just before U.S.-Soviet arms control talks are to resume in Geneva, Mr. Genscher said there was "an agreement" between the United States and West Germany that efforts should be undertaken by the West to arrive at concrete results in the Geneva negotiations on medium-range nuclear missiles.

Mr. Genscher said Mr. Reagan had "underlined and emphasized the view that in these negotiations the American government will be in full agreement with its European allies."

Mr. Genscher said Vice President George Bush's trip to Europe beginning Sunday, was evidence of those intentions.

At the end of the meeting between Mr. Reagan and Mr. Genscher, reporters asked Mr. Reagan about a statement by P. H. Nitze, a U.S. negotiator, that the United States "is certainly locked into the zero option" zero option is the U.S. proposal for which neither the Soviet Union nor the U.S. would start medium-range missiles in Europe.

The president, who was photographed in the Oval Office with Mr. Genscher, laughed and said, "No questions at the photo opportunity."

In a meeting Tuesday, Mr. Genscher told Secretary of State George P. Shultz that he continues to support the zero-option proposal, according to U.S. officials.

There has been concern in Washington that the government might abandon its support of U.S. stance in the face of growing opposition from voters.

Mr. Genscher briefed Mr. Shultz on the recent visit to Bonn of Soviet foreign minister, Andrei Gromyko.

## 2 Bulgarian Officials Protest Innocence in Plot on Pope

By Henry Kamm  
New York Times Service

SOFIA — With unsurprising unanimity and indignation, two Bulgarian officials wanted for questioning by an Italian magistrate protested their innocence of any involvement in a plot to assassinate Pope John Paul II.

The two officials, Todor S. Aivasov, 39, and Major Chelyo K. Vasilev, 40, who until recently had served in the Bulgarian Embassy in Rome, were interviewed separately here by arrangement with the government.

Adhering to what clearly were his instructions, Major Vasilev insisted on reading a prepared denial of all accusations before accepting questions. "I deeply condemn the terrorism of Agca," he intoned, in reference to Mehmet Ali Agca, who was convicted of shooting the pope in May 1981. "I have never seen him and never met him."

Mr. Aivasov folded and unfolded his prepared denial throughout the interview but did not refer to its text until the end of an hour-long conversation to enter a similar denial and condemnation of terrorism.

Major Vasilev left Rome in August, before the arrest of Sergei I. Antonov, representative of the Bulgarian national airline, on Nov. 25 on suspicion of complicity in the assassination attempt and before his and Mr. Aivasov's names appeared in the Italian press as suspects sought by Judge Mario Martella.

Mr. Aivasov left Nov. 5, on what he called a routine visit to the Foreign Ministry in Sofia to discuss the budget of the embassy in Rome. He said that after his departure the Italian authorities had inquired into the possibility of lifting his judicial immunity and Bulgaria had reassigned him to duties at the ministry. He said he was in charge of the finances of several embassies in Europe.

"My first impulse was to return to Italy, immunity or no, to reply," he said, his voice rising. "It seemed even funny at first, a mistake. But I know the reality in Italy and I know what kind of guarantees I could expect there."

Major Vasilev said he had been reassigned to an armor command that kept him partly in the field and partly in the capital. He returned at the end of his normal assignment, he said, emphasizing that he had stayed longer than expected.

The two scoured charges attributed to Mr. Agca in the Italian press that they had accompanied him for rehearsals on the two days preceding the attempt and drove him to St. Peter's Square, in a rented car, on the day of the crime, stopping at Mr. Aivasov's apartment to pick up pistols and grenades for the Bulgarians.

Mr. Aivasov said the apartment house in which he lived, a property of the embassy, was under constant surveillance by Italian secret agents and he would have been an uncommunicative spy if he had driven the assassin to the scene himself and gone to his house to pick up weapons on the way.

The officials said they had alibis for the three days in question but refused to disclose them.

"I remember what I did on May 11, 12 and 13, but I wouldn't be so naive as to tell it to the press," said the major. "It would give Agca's alibis a chance to correct their accusations."

The officer asserted that the Turkish terrorist was being prompted in his accusations by the Italian secret services. The purpose, he said, was either to divert attention from scandals that had implicated such agencies or a campaign against Bulgaria and other communist countries.

But neither official echoed a charge often made in the Bulgarian press that the U.S. Central Intelligence Agency was behind the accusations.

Responding to Italian press reports that Mr. Agca had proved his familiarity with the three Bulgarians who are implicated by describing one or more of their apartments and citing their unlisted telephone numbers, Mr. Aivasov said that he had had no telephone. Major Vasilev said the three apartments in which he successively lived had telephones listed in their owners' names.

"If Agca mentioned my private number, it proves the secret service gave it to him," the major said. He refused to give his address.

The two Bulgarians said they had met Bekir Celenk, also wanted by Judge Martella for complicity, only once, at a news conference arranged by Bulgaria last month to deny the charges against its citizens.

The Post said the issue of Mr. Begin's visit was first raised in a letter from Mr. Reagan delivered by the president's special envoy, Philip C. Habib. The president's letter was acknowledged by Israeli officials at the time and Mr. Begin's aides described it as "friendly."

## France Aids 'New Poor'

Reuters

PARIS — The government faced with a growing number of destitute, homeless and hungry people in Paris and other large cities, announced Wednesday a series of measures aimed at fighting a new breed of poverty.

According to French aid groups, the profile of people being assisted has changed to include a new group of poor, created through such setbacks as the loss of a job, illness or the breakup of a family.

On Monday, eight charity organizations met with President François Mitterrand to aid the people becoming known here as "the new poor."

On Wednesday, the government said it would create emergency aid centers. It also announced the creation of relief centers open 24 hours a day in 15 major cities and of aid outlets for single mothers.

## WORLD BRIEFS

### Reporter Expelled by Singapore

SINGAPORE (Reuters) — Singapore has refused to renew the employment permit of Patrick Smith, the Far Eastern Economic Review correspondent, and has ordered him to leave at the end of next month, officials reported Wednesday.

The sources gave no reasons for the government action against Smith, 33, a U.S. citizen who has worked here 15 months for the Hong Kong-based news magazine. Mr. Smith is the first foreign journalist refused permission to work in Singapore in more than 10 years. He is out of Singapore on Wednesday and could not be reached for comment.

The correspondent was believed to have angered Singapore's Internal Security Department last year when he wrote that the state's Internal Security Act was being invoked frequently against political adversaries Prime Minister Lee Kuan Yew's People's Action Party.

### Walesa Back on Shipyard Payroll

WARSAW (AP) — Lech Walesa, leader of Poland's outlawed Solidarnosc trade union movement, was told Wednesday that he is back on payroll of the Lenin Shipyard in Gdansk but that he may not yet return to his job there as an electrician, a spokesman for Mr. Walesa said.

Mr. Walesa was turned away from the shipyard on Jan. 14 by management, which said he lacked the proper documents.

Before he can return to the shipyard, the birthplace of Solidarnosc, he must obtain government certification that his affairs are in order that he is working nowhere else, according to the shipyard management. Mr. Walesa, who was released from an 11-month martial law internment on November, has protested what he called "special tactics" used to keep him away from the shipyard.

### Poles Flee to West in Small Plane

BERLIN (Combined Dispatches) — Three men flew from Poland in a two-seat plane, flying over East Germany and landing at the U.S. air base at West Berlin's Tempelhof Airport, a U.S. spokesman said.

The three were taken into custody by U.S. military police for questioning. The army spokesman said the plane had been rented from a sports club at an airfield in Przybranowski, a town west of Warsaw.

The Poles were handed over to West Berlin police, who said that one of the men had asked to remain in the West but that the third, an auto mechanic, had been taken against his will and had asked to be returned to Poland. He was handed over to the Polish military mission here.

### Lithuanian Priest Faces Inquiry

MOSCOW (Combined Dispatches) — A criminal investigation has been opened against Alfonas Svarnas, the dean of the Roman Catholic Church in Viduklė, Lithuania, on charges of anti-state activity, said Wednesday. It did not say whether Father Svarnas was under arrest.

The announcement was made on the same day the Catholic archbishop of the neighboring republic of Latvia, Julianas Vaivods, arrived in Russia for ceremonies in which he will be elevated to cardinal. He will be first prelate living in the Soviet Union to receive that distinction.

Father Svarnas, 57, had used his church as a cover for "illegal, anti-constitutional and anti-state activities" and incited believers to open revolt against the Soviet system.

### Mubarak Meets Cheysson in Paris

PARIS (UPI) — President Hosni Mubarak of Egypt, en route to Washington for a meeting Thursday with President Ronald Reagan, expressed concern Wednesday about stalled talks between Israel and Lebanon's External Relations Minister Claude Cheysson said.

Mr. Mubarak met privately with Mr. Cheysson for 40 minutes during a stopover at Orly Airport outside Paris. Both men expressed concern at the stalemate in the talks on a troop withdrawal from Lebanon, Cheysson said. He did not elaborate.

### For the Record

CAPE TOWN (UPI) — A senior officer in the South African Navy's wife has been arrested on charges of spying for the Soviet Union. Prime Minister Pieter W. Botha said Wednesday. Mrs. Botha identified the couple at a news conference as Commodore Dieter Gerhard and his wife, Ruth.

LONDON (UPI) — Two Jordanian students and an Iraqi mercenary pleaded not guilty Wednesday to charges that they tried to murder Suleiman Arqawi, Israel's ambassador to Britain. Mr. Arqawi was shot in the head on June 3 and is still hospitalized with brain damage.

ISTANBUL (AP) — A martial law court on Wednesday sentenced an editor and a columnist of Cumhuriyet, an Istanbul newspaper, to prison terms of three months each. The court committed the sentence of editor, Oktay Gonenc, to a fine of 9,000 liras (\$50). He and Oktay Gonenc were convicted of trying to influence voters before a referendum in November on a new constitution.

## A Challenge To Congress

(Continued from Page 1)

greatest threat to the economy recovery he has sought and again promised. But he rejected the Democrats' contention that the roots of the projected shortfalls lie either in his ambitious acceleration of military spending or in the 25-percent cut in income tax rates that he proposed to enact in 1981.

On both issues, Mr. Reagan again challenged the Democratic leadership and moderate Republicans to try to override him. But privately, some White House officials have acknowledged that the president will ultimately have to compromise. He is only setting out an initial bargaining position with his State of the Union Message and the Budget Message due next Monday.

In some areas, Mr. Reagan sought to steal the thunder from his Democratic opposition by calling for efforts to contain health-care costs, upgrade educational standards in science and mathematics, engineering and computer education.

A proposed goal to have the United States export more energy than it imports by the year 2000.

The repair of roads, rails and other elements of the nation's commercial transportation network.

Last year, the Democratic response to Mr. Reagan's State of the Union address was an effort to centrate the negative with people-in-the-street interviews in which citizens gave their views on how bad the economy was getting.

This year there were a few such snippets, but the emphasis was on a fast-paced parade of Democratic officeholders, each presenting an abbreviated proposal.

Among the missing this year were all the Democrats who are running or are thinking about running for president, an effort to keep intra-party politics out of this political show, and Jimmy Carter, the only living Democratic former president.

The Democrats were not loath to attack Mr. Reagan's policies, but they did most of their punching with a velvet glove.

IN DUBAI THE MOST DEMANDING TRAVELLERS STAY INTER-CONTINENTAL

Our magnificent Dubai Inter-Continental Hotel in the heart of the city is located between the corniche and the main boulevard. A swimming pool, tennis courts and fully equipped health club make this the perfect businessman's hotel.

## Mixed-Race Basters Differ on Independence for Namibia

By Allister Sparks  
Washington Post Service



The Washington Post  
Maans Beukes

REHOBOTH, South-West Africa — The 25,000 people who live in this dry and sparsely populated region of central South-West Africa, on a high plateau between the Nama and Kalahari deserts, take a special pride in being called basters.

People of mixed race are called coloreds in South Africa and in South-West Africa, also known as Namibia, the former German colony that South Africa has administered since World War II. But to call a mixed-race man from Rehoboth a colored is to insult him. He insists on being called a Baster, the Afrikaans word for bastard.

"It does not mean the same to us as it does to other people," said Hans Diergaard, a Baster leader. "We take a particular pride in the word. It emphasizes that we are different."

Coloreds, Mr. Diergaard said, resulted mostly from the early relationships between Afrikanders in South Africa and their Malayan and Javanese slaves.

"There are no slaves in our background," he said. "Our forefathers

switch in their role in Namibia's long struggle for independence.

Twenty years ago they were in the forefront of that struggle, among the first and most vigorous petitioners to the United Nations for international intervention to end South African control of Namibia.

Now they are among the most reluctant of all Namibian communists on the issue of independence, viewing South Africa as perhaps the lesser of two evils as they contemplate the prospect of a future under the South-West Africa People's Organization, an African nationalist movement.

"We worry that a SWAPO government would take over our territory and collectivize the land," said Mr. Diergaard. "That would be death for us because our land is our life, our history, our everything."

If the U.S.-led negotiations for Namibian independence were to result in elections for a winner-takes-all government, he said, the Basters might boycott them.

"If you participate," Mr. Dier-

gaard said, "we immigrants" — Dutch, German and French settlers — "who had relationships with African women."

The Basters have long enjoyed a kind of self-government in their 5,300-square-mile (13,780-square-kilometer) region, and a fierce pride in their status has led to a

switch in their role in Namibia's long struggle for independence.

One of the early petitioners to the UN was Maans Beukes, who lives in a small bungalow in Rehoboth, a sprawling village stretched out along a stony ridge.

The better houses are on top of the ridge, with a dramatic view across 50 miles (80 kilometers) of bush landscape to a range of jagged blue mountains on the horizon. The poorer houses are along the foot of the ridge.

Mr. Diergaard's house is on top with a Mercedes-Benz in the driveway. He also has a large farm in

the district. Mr. Beukes's bungalow is below. He runs a small shoe-making business in a back room, and teaches the craft to young Basters.

Mr. Beukes asserts that Mr. Diergaard typifies a young generation that has lost sight of the meaning of the Basters' history, which he says is a passionate commitment to independence without xenophobia.

He would vote for SWAPO, he says, and has a daughter who works for the insurgent group.

"We were the first people of color who managed to maintain a degree of independence," he said.

"There was a man who would never have gone soft," said Mr.

Beukes, pointing to a portrait of his father. "Nor will his son."

According to Mr. Beukes, the Basters are the progeny of early European explorers and adventurers who penetrated the South African hinterland. They settled on unoccupied land along the Orange River in northern Cape Province.

Their location cannot be pinpointed now, but they have acquired a mystical significance in Baster folklore.

With the discovery of the world's largest diamond deposits around Kimberley in 1867, many white diggers arrived. In the surge of development that followed, the Basters found themselves being pushed off their land.

Under a leader named Hermanus Van Wyk, they trekked north into the arid central plateau of Namibia, with the sand Kalahari to the west and the stony Kalahari

to the east.

For price of 100 wagons and oxen, 50 horses and £100 sterling, which was a fortune in those days, Van Wyk bought a large tract of land from Namibia's then-domi-

nant tribe, the Hereros. That was 16 years before Bismarck colonized South-West Africa.

Mr. Beukes has an old map showing an original area of 17,000 square miles.

He says, however, that first German colonists and the South Africans took away thirds of it.

Now many are wondering: SWAPO will take the rest.

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*Continued from page 1*

## SCIENCE

## Assessing Dioxin's Danger To Humans: Proof Is Elusive

By Wayne Biddle

*New York Times Service*

NEW YORK — The deadly chemical dioxin, an unwanted byproduct of herbicides, pesticides and other industrial products, is raising increasing concern among government agencies, scientific researchers and people who may come in contact with it.

Communities from New York to Oregon have reported human health problems that they fear are linked to exposure to dioxin, although the links have not been proved scientifically.

Officials in Missouri say the number of sites they believe contaminated by the chemical has risen to about 100, and Governor Christopher S. Bond has asked the state legislature to set up a special fund to help clean them up.

Research biologists and environmental scientists generally agree that in laboratory experiments on animals, dioxin has more harmful effects, and in smaller doses, than any chemical man has produced. Twenty-five millionths of a gram is known to be potent enough to kill a two-pound animal. There are 28 grams in an ounce.

But scientific proof of the effect on humans has been elusive. Conducting tests of toxic chemicals on people is ethically unacceptable and establishing epidemiological proof by looking for correlations between exposure and effect on a given population is not always possible. In some cases, cancer may not develop for 30 years after exposure to a chemical carcinogen.

Among the other unknowns about dioxin is how much of it there is in the country, and how much is being produced.

Dioxin is nearly insoluble in water, but it clings tightly to soil particles and dissolves in organic solvents like alcohol or oil. It can enter the body by direct skin contact, ingestion or inhalation.

**DIOXIN** was contained in oil sprayed almost a decade ago as a dust-control measure at stables and along roadsides throughout eastern Missouri. In recent months, concern has arisen about dioxin's long-lasting effects on residents of Times Beach, Missouri, and other areas, and state and federal officials have been finding more and more sites at which the chemical was dumped.

Dioxin was among the hazardous chemicals found in 1978 at the Love Canal near a residential neighborhood of Niagara Falls, New York. It was also a chemical found in Agent Orange, which is a mixture of 2,4-D and 2,4,5-T herbicides. TCDD is also the variety confirmed in Missouri soil by the Environmental Protection Agency. Members of the dioxin family,

known as polychlorinated dibenzodioxins, or PCDDs, are byproducts not only of herbicides and pesticides but also of dyes, pharmaceuticals, wood preservatives and other products known as chlorinated phenols.

In general, these synthetic compounds are formed by adding chlorine to hydrocarbon molecules that are derived from petroleum.

Two decades ago commercial 2,4,5-T often contained as much as 70,000 parts per billion of TCDD and sometimes more. But manufacturers say current techniques can reduce it to a level of less than 10 parts per billion. The industry maintains that it can assure safe products, especially since the material sprayed on fields is heavily diluted.

If the TCDD content of commercial 2,4,5-T is 100 parts per billion, for example, a single spraying might cause surface soil concentrations of 0.02 parts per trillion. Estimates of TCDD soil contamination from Agent Orange in Vietnam are about 0.08 parts per billion.

Spokesmen at the Dow Chemical Corp. said that by testing their output of the dichlorophenol herbicide 2,4-D nine times every 24 hours, they make sure dioxin contamination never exceeds 1 part per billion. Although 2,4-D is closely related to 2,4,5-T, it is not generally contaminated with TCDD. It does contain other less toxic dioxins, though there has been almost no research on the effects of these.

The possible risk posed by even that level of dioxin must be weighed, industry spokesmen say, against the enormous economic value of the products.

**A**SSessing that risk is, of course, part of the problem. Researchers say the risk begins to appear in animals with exposure in the parts-per-1,000 billion range. The Centers for Disease Control has advised Missouri officials that materials containing more than one part per billion of TCDD should be removed from residential areas.

But that figure itself has caused some confusion. Dr. Renate D. Kimbrough of the federal disease agency expressed annoyance with news accounts that reported, incorrectly, that the agency considered dioxin concentrations below 1 part per billion in soil to be "safe." Although that is the detection limit being used in soil tests at residential areas in Missouri, she said, it represents a compromise between health concerns and cleanup practicalities. Dr. Kimbrough said ex-

## Estimated Risk of Chemical Pollutants

Percentage of increased risk of cancer, calculated on the basis of animal experiments and human epidemiologic studies, to a person weighing 150 pounds who, over a 70-year lifespan, breathes air containing one microgram of substance per cubic meter.

SUBSTANCE	USE	PERCENT RISK OF CANCER
Acrylonitrile	Making acrylic fibers	.031
Allyl chloride	Electro plating	.000098
Arsenic	Wood preservative	.34
Benzene	Paints, solvents	.00074
Beryllium	Metallurgy	27.0
Cadmium	Paints, batteries	.2
Dimethyltriazine	Plastics, fertilizers	.29
Dioxin	Pesticide, herbicide	100.0

Source: U.S. Environmental Protection Agency

## TB Battle Is Far From Won

By Brenda C. Coleman  
*The Associated Press*

CHICAGO — Most of the sanatoriums were shut down years ago. The mobile X-ray units no longer roll through dilapidated neighborhoods, and school children no longer fidget in anticipation of skin tests.

But the disease — tuberculosis — hasn't disappeared.

"It is particularly problematic for us," says Dr. Gerald Burke, chairman of the department of medicine at Cook County Hospital. "We have to see either the poor who can't afford the medications or the prototypical skid row bum, who as soon as he leaves the hospital, stops taking the medications."

Cook County Hospital treated twice as many tuberculosis cases in 1982 than in 1981 — up to 600 from 300, according to Dr. Burke.

Health officials nationwide reported 27,373 new cases of tuberculosis in 1981 — a slight decrease from 1980. But authorities say the figure can be misleading because it fails to reflect a great number of victims who have had the disease for many months or years.

And it also fails to show the gains TB is making in some metropolitan areas. In Los Angeles and San Francisco, new cases rose 18 percent in 1981, and Miami had the highest TB rate in the nation — 87 cases per 100,000 people.

"I think there has been a return of interest in tuberculosis as a problem," says Dr. Kenneth E. Powell of the TB control division at the Centers for Disease Control in Atlanta. "Everybody, bad thought TB was simply going to disappear. It may disappear, but if it does, we're going to have to work at it."

New treatment methods have done more to promote the perception that tuberculosis has disappeared than to achieve a reduction in the number of cases. Dr. Powell says.

"In the old days, people were sent to sanatoriums for months at a time, but now they are usually treated in a hospital for only a few weeks, and many don't have to enter a hospital at all," he said.

Patients don't spread the disease as long as they continue medication.

The study might provide the first international confirmation of a 1977 report from Sweden suggesting that forestry workers exposed to 2,4-D and 2,4,5-T have a roughly fivefold higher incidence of soft-tissue sarcomas. In addition, several studies have revealed an increased incidence of Hodgkin's disease among lumberjacks and woodworkers.

ing bacteria to confine them, forming a small, hard lump called a "tubercler."

As the bacteria grow in the lung, they invade new cells and the area of lung tissue they occupy becomes larger. The tissue cells die, and the whole area becomes soft. Finally, the soft tissue liquefies and the tubercular material is coughed up, leaving a small cavity in the lung.

Formerly incurable, the disease was once so widespread it was called the white plague. In 1918, according to the National Center for Health Statistics, 118,000 people died in the United States of TB. But medical advances in the 1940s led to three drugs — isoniazid, streptomycin and paraaminosalicylic acid — used alone or in combination to effect a cure.

TB no longer has the destructive impact that it used to have.

People aren't sent away from their homes. In many cases, a person never has to be put in the hospital at all," Dr. Powell says.

Yet tuberculosis killed 1,780 people in the United States in 1981. And at best, successful treatment requires 18 months.

From 1968 through 1978, the number of new TB cases in the United States declined an average of 5.6 percent annually. But from 1979 through 1981, the decline slowed to 1.4 percent.

"It looks like [during 1982] we may have resumed our previous rate of decline, but it's really too early to say," according to Dr. Powell.

"A lot of the cases in 1979 and 1980 were attributable to the Indochinese refugees," Dr. Powell said. "But in 1981, that no longer seemed to account for the failure of the rate to decline."

Higher incidences of the disease seem to move around, Dr. Powell says. In California, the incidence increased in 1979, 1980 and 1981. In Kansas and South Carolina, the incidence rose for both 1980 and 1981. Twenty-one states had a higher rate in 1981 than in the previous year.

Part of the problem, says Dr. Burke, is the resistance to medication some tuberculosis bacteria develop when treatment is discontinued after a short period of time.

"And it's not just resistance to one drug, it's to a number of drugs, and that requires long-term hospital stays," Dr. Burke says.

"A lot of people think it's a disease of the past and are surprised to learn that it's still around," says Dr. Laurence Farin, director of the CDC's division of TB control. "It hasn't disappeared and it isn't going to disappear for many, many years. It's going to be a long, hard battle."

## A Super Microscope

By Walter Sullivan  
*New York Times Service*

leaves the new device should be able to record atomic structure.

In announcing the project, the university pointed out that the most powerful microscopes today can directly detect objects no less than two angstroms wide and can record individual atoms only under special circumstances.

The device will combine features of both scanning and transmission electron microscopes and hence will be known as the Scanning Transmission Electron Microscope, or STEM. The first electron microscopes were of the transmission type and functioned much like simple microscopes in which light shines through a thin specimen.

The scanning version is able to produce three-dimensional images by bombarding the specimen with electrons and then recording the secondary electrons released by the impinging beam.

Whereas glass lenses are used in optical microscopes, those that focus electrons must be magnetic. Such lenses, however, produce an intrinsic distortion, which Dr. Crewe hopes can be removed by his sextupole (six-pole) corrector.

## For Summer, Saint Laurent Pure and Simple

By Hélène Dorsey

*International Herald Tribune*

PARIS — Yves Saint Laurent's show Wednesday had every woman in the room humming: "If I were a rich woman."

On the runway framed with opulent palm leaves and white orchids, the clothes were Saint Laurent's best, and the wild applause was a tribute to the unrivaled king of Paris couture.

It was a good show both onstage and offstage, and the see-and-be-seen crowd included Catherine Deneuve, wearing a brown leather Saint Laurent suit, as did some of the younger customers, such as Baronne Van Zuylea, Olympia de Rothschild, Florence Grimaud and Betty Catroux. Saint Laurent's mother was there, too, but as always in the second row, and wearing last season's red sweater suit.

True to himself, Saint Laurent did nothing dramatically different but kept honing his look. The result was as pure a collection as he has ever designed: controlled, disciplined, yet sexy and totally Parisian. Without missing a beat, he kept saying the same: "Less is better."

Although summer collections are often treated more lightly than winter ones, this one showed a remarkable amount of work. A great many of the clothes will fit right in with the lives of his rich customers, who travel all year and do not keep to the seasons. As Pauline Karpis, a London socialite who has houses in Paris, Athens, Cannes, London and New York, said: "I could wear any of those suits under a fur coat."

The opening numbers were all gray suits, in understated flannel stripes or Prince of Wales checks. But the treatment was slightly different, less hard-chic and more gently feminine and softly fitted, with bosom waist and hips all very much there. Serious as they were, these were not clothes to wear at ladies' luncheons.

Other flirtatious tricks included diamond ankle straps, diamond cuffs, diamond heart pendants, tulip skirts, white carnations at the back of bowler hats and soft floating chiffon scarves. Matching soft-chiffon blouses had deep plunging décolletés instead of high-closing bows.

The new Saint Laurent tonic comes in bright jersey — turquoise, green or cerise — trimmed with equally vivid tricolor braid. Every other designer in Paris has shown black and white, but it takes Saint



Saint Laurent's black-and-white satin dress with a belt.

many topped by his famous Spencer jacket that has been copied right and left. Saint Laurent's strongest statement was all those coatdressess, often double-breasted and closed with gold buttons, as well as short suits under three-quarter coats.

The newest addition to evening wear is beaded sweaters over black or white long, clinging crepe skirts. Snaky satin sheaths were a lesson in draping, with Saint Laurent handling opulent Marocain crepe with peerless technique. Some of the best were black and white, draped at both shoulder and hip, but the black dress, with a bare back except for a string of diamonds around the waist, brought down the house. So did a frothy cascade of black mille, which made the model look as is she were wrapped in cotton candy.

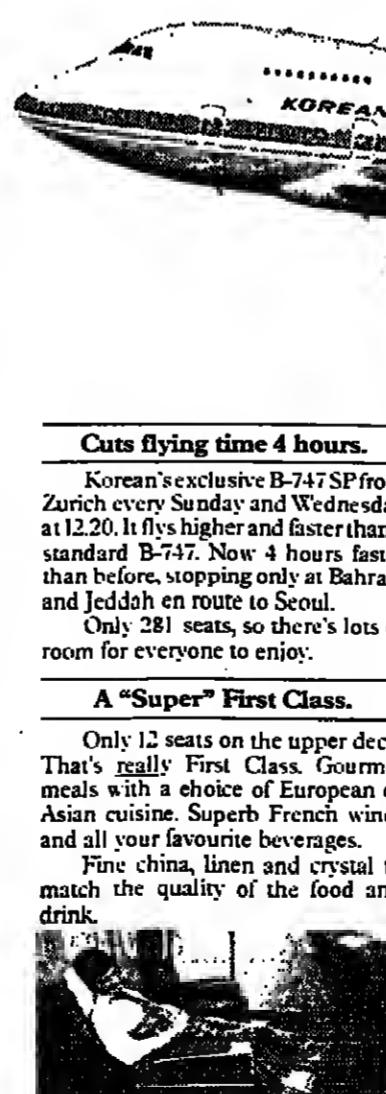
This was bonus day in Paris fashion with Givenchy also delivering a superb collection, which should go straight to his rich American customers' hearts. It was full of the kind of clothes that make private planes, Maxim's luncheons, summers in the Hamptons and winters in the Bahamas.

Givenchy nipped in the waist, cinched it with black patent leather belts and put short, puffed sleeves on practically everything, including a great many coats. His new leather coats and suits were printed with tennis stripes or giant houndstooth. Of all Paris designers, Givenchy understood summer best, and his clothes were like a trip to the sunshine. Besides turquoise, raspberry and a brilliant yellow, often shown with black, Givenchy showed strong Dufy and Matisse prints.

But as in the case of Saint Laurent's collection, the evening is where it's at, and that's what culture is all about. In one of the most opulent evening wear collections in Paris, Givenchy showed quite a few stunners, including demure and not so demure gowns — from flamenco ruffles with beaded bodices to iridescent sequins à la Raquel Welch.

Laurent to really deliver the ultimate in the look, and still score with exotic colors. Prints ranged from small field flowers — poppies and daisies on black backgrounds — to splashy Gauguin prints. Although he had a few pants,

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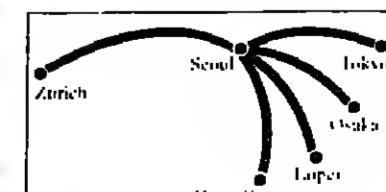
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## Mitterrand to Visit Swiss

BERN — President François Mitterrand will travel to Switzerland in April to pay the first official visit by a French head of state to Switzerland since 1910.

THURSDAY, JANUARY 27, 1983

# Herald Tribune

Published With The New York Times and The Washington Post

## A Reverse Oil Shock

The OPEC countries, for the fourth time in recent months, have failed to agree on the price of oil, and suddenly everyone seems alarmed that it may drop. Why, in heaven's name? Lower oil prices would not be an undiluted blessing. But if this third, reverse oil shock occurs it should be welcomed.

The first two shocks, in 1973 and 1979, sent the price soaring and caused economic havoc. Conditions have now changed profoundly. Conservation, recession and new oil sources like the North Sea and Mexico have glutted the market. And there is war in the Islamic nations. Saudi Arabia, struggling to retain its standing in the Middle East, has poured its huge sums to back Iraq against Iran.

All these conditions put intense pressure on OPEC's official \$34-a-barrel price, and that raises the strange new question: Would a price drop be good or bad? Anyone who drives a car knows it's good. A \$2-a-barrel price decline would lower gas prices in the United States by a nickel a gallon, wholly offsetting the gas tax increase coming in April. There would be other, far larger consumer benefits. Brazil, burdened by the world's largest foreign debt, would save on oil imports. So would other im-

porting countries, including the United States.

There would be some problems. The prospect of a price war sent the British pound to a new low and sent oil stocks plowing on Wall Street. Britain stands to lose North Sea oil revenue. Some of the oil giants would lose, too, depending on whether they make their money from crude or refining. Banks that have lent to oil companies and to oil countries would worry about diminished income. A \$2-a-barrel drop would cost Mexico alone \$1 billion a year. Sharpents would drive Nigeria to the wall; along with some other producing countries, it would have to be rescued.

The world economy is near crisis; new shocks will aggravate some problems. But the case for lower oil prices remains compelling, most of all because they would stimulate economic expansion. If the reduction is gradual, the adjustment need not be difficult. If price-slashing breaks out, the major nations will have to put together more rescue packages. Britain and Canada — even Kuwait and the Saudis — could be seriously hurt. But the world's overriding need is economic recovery. Lower oil prices would help.

—THE NEW YORK TIMES.

## Watching the Saudis

The quarrel over oil-pricing has raised much excited speculation about the future of OPEC. A more important question is the future of Saudi Arabia. Everyone knows that the prospects for political stability in the Gulf region are uncertain. The point is worth further consideration, for events around the Gulf will influence the price of oil far more powerfully than the survival or collapse of OPEC.

The antagonism between Iran and Saudi Arabia goes well beyond oil and money. The latter are only the weapons in a larger struggle. When the OPEC meeting collapsed Monday, the Iranian oil minister, Mohammed Gharazi, triumphantly exclaimed, "We have also succeeded in breaking the political power of Saudi Arabia, which stems from oil." He meant that the Saudis were no longer unilaterally setting OPEC policy, but the choice of words suggests further meanings as well.

Like everything in that part of the world, the friction between the two countries goes back a long way. It was well established before the Iranian revolution, but the revolution carried it to a new pitch. Populist Moslem fundamentalism of the Khomeini variety sees its true and essential enemy in the immensely wealthy and cosmopolitan hierarchy across the Gulf. Iraq's attack on Iran, followed by more than two years of war between them, has added an

other kind of tension, since the Saudis have been giving the Iraqis financial support. In terms of national power, the Saudis have more oil but the Iranians have more people. Iran's population is about 40 million. The Saudis have always been extremely sensitive, not to say secretive, about their population figures; they claim 9 million people, but other estimates range as low as 5.5 million.

As for OPEC, it never pushed up oil prices, and the collapse of OPEC would not bring prices down. The price of oil shot up in the 1970s because the industrial economies had been growing so rapidly that they suddenly began pressing the limits of the world's oil supply. OPEC only followed the market upward. It has been less important as an attempted cartel than as a rallying point for all of the Third World's hopes for global redistribution of wealth on a grand scale. If the price of oil now begins to sag and OPEC falls apart, there is going to be a great vengeance bunt by the poor countries along the equator, and particularly in the Middle East, for villains.

All of that is a reminder that the two great upward surges of oil prices in the 1970s followed, respectively, a war and a revolution in the Middle East. There is no reason to assume that it can't happen again.

—THE WASHINGTON POST.

## Backward in Namibia

To justify its illegal occupation of Namibia, South Africa has long maintained that it was staying on to protect the cause of pluralism against leftist usurpers, and particularly to advance a genuine grass-roots party called the Democratic Turnhalle Alliance. That argument collapsed last week, however, when South Africa dissolved the alliance's grip on power in Namibia, treating Dirk Mudge, the alliance leader, as a disposable puppet.

The details that led to Pretoria's resumption of direct control are confusing but worth pursuing. South Africa is under orders from a virtually unanimous United Nations to relinquish the former German colony, which was assigned to it as a League of Nations mandate. But instead of preparing free elections that could lead to independence, the South Africans have stalled for a decade and pretended that they already permit home rule and encourage multiracial politics among Namibia's one million blacks and 70,000 whites.

And indeed, under South Africa's tutelage an elected National Assembly picked Mr.

Mudge, a white rancher, as its leader. But many whites found him too liberal while many blacks were unimpressed by his efforts to eradicate racism. With his term coming to an end, he evidently wanted to prove he was nobody's stooge; as a gesture to Namibia's blacks, he led a move to abolish observance of South Africa's bobsdays, one of which celebrates military victories over blacks. But Pretoria's victory, the administrator-general, vetoed this plan and dissolved the Assembly, ditching Mr. Mudge in the process. Whatever the tensions that yielded this result, it is now plain that Namibia is no more autonomous than any other South African territory.

As long as that is so, no local leader can hope to outbid Marxist-led guerrillas for popular support. Yet the avowed purpose of Pretoria's foot-dragging on independence has been its desire to deny leftist control of Namibia. And the longer it retains control, the harder it becomes for moderate-minded Namibians to establish themselves as alternatives.

—THE NEW YORK TIMES.

## Other Opinion

### An Uncertain Oil Future

#### Zero as a Yardstick

The renewed nervousness of the markets after the breakdown of the OPEC talks is the most natural thing in the world, for dealers are now groping their way forward in a thick fog of uncertainty. There is now a clear possibility of a major break in the oil price, which has negative implications for sterling and raises disturbing questions about the safety of energy-security loans in such countries as Mexico, Nigeria, Venezuela and even Canada. Indeed, some fall in the price is now necessary to fulfill the Saudi hope that a weak market will frighten OPEC back into harmony.

—The Financial Times (London).

### FROM OUR JAN. 27 PAGES, 75 AND 50 YEARS AGO

#### 1908: Iranian Mob Wins Out

#### 1933: Billion-Dollar Relief

TEHRAN — A large mob surrounded the Governor's residence and demanded that a certain Reza, who was in prison there for murdering his brother, be handed over to it. On the Governor's refusal to give him up the mob stormed the residence, released all the prisoners and got hold of Reza, whom it riddled with shots. At Tabriz several clashes between political parties have taken place lately, many being killed and wounded. A telegram reached here stating that Prince Firman Firma, commanding the troops on the Turkish frontier, had retired to Mandah, Eshtham-e-Saltaneh. President of the National Assembly, has resigned. The people insist upon the execution and punishment of the leaders of the recent troubles.

—The Financial Times (London).

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## Dow Jones Averages

Open	High	Low	Close	Chg.
1,077.97	1,082.21	1,077.78	1,087.99	+1.02
20.10b	20.10	19.95	20.10	+0.00
20.11b	20.11	20.05	20.11	+0.00
13.01b	13.01	12.97	13.01	+0.00
13.01b	13.01	12.97	13.01	+0.00
63.51b	63.51	63.45	63.51	+0.00

## Market Summary, Jan. 26

## Market Diaries

Standard & Poors Index	Volumes	Close	Chg.
Composite	73,72	93.17	7.55
Industrials	2,27	225.75	7.05
Utilities	1,08	133.77	122.67
Finance	1,08	11.07	6.51
Trans.	24.27	15.76	15.80
Transport	2,28	24.28	12.22
Services	1,08	11.07	11.07
Real Estate	1,08	11.07	11.07
Non-financial	1,08	11.07	11.07
New Issues	1,08	11.07	11.07

## NYSE Stock Index

NYSE	AMEX	High	Low	Close	Chg.
20.10b	20.10	20.05	20.10	20.10	+0.00
20.11b	20.11	20.05	20.11	20.11	+0.00
13.01b	13.01	12.97	13.01	13.01	+0.00
13.01b	13.01	12.97	13.01	13.01	+0.00
63.51b	63.51	63.45	63.51	63.51	+0.00

## NYSE Index

Composite	Industrials	Utilities	Finance
High	100.00	100.00	100.00
Low	99.00	99.00	99.00
Close	99.00	99.00	99.00
Chg.	+0.00	+0.00	+0.00

## NYSE Most Actives

Sales	Close	Chg.
1,020,400	129.00	+1.00
1,014,000	128.00	+1.00
992,000	127.00	+1.00
779,000	126.00	+1.00
779,000	125.00	+1.00
779,000	124.00	+1.00
779,000	123.00	+1.00
779,000	122.00	+1.00
779,000	121.00	+1.00
779,000	120.00	+1.00
779,000	119.00	+1.00
779,000	118.00	+1.00
779,000	117.00	+1.00
779,000	116.00	+1.00
779,000	115.00	+1.00
779,000	114.00	+1.00
779,000	113.00	+1.00
779,000	112.00	+1.00
779,000	111.00	+1.00
779,000	110.00	+1.00
779,000	109.00	+1.00
779,000	108.00	+1.00
779,000	107.00	+1.00
779,000	106.00	+1.00
779,000	105.00	+1.00
779,000	104.00	+1.00
779,000	103.00	+1.00
779,000	102.00	+1.00
779,000	101.00	+1.00
779,000	100.00	+1.00
779,000	99.00	+1.00
779,000	98.00	+1.00
779,000	97.00	+1.00
779,000	96.00	+1.00
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779,000	88.00	+1.00
779,000	87.00	+1.00
779,000	86.00	+1.00
779,000	85.00	+1.00
779,000	84.00	+1.00
779,000	83.00	+1.00
779,000	82.00	+1.00
779,000	81.00	+1.00
779,000	80.00	+1.00
779,000	79.00	+1.00
779,000	78.00	+1.00
779,000	77.00	+1.00
779,000	76.00	+1.00
779,000	75.00	+1.00
779,000	74.00	+1.00
779,000	73.00	+1.00
779,000	72.00	+1.00
779,000	71.00	+1.00
779,000	70.00	+1.00
779,000	69.00	+1.00
779,000	68.00	+1.00
779,000	67.00	+1.00
779,000	66.00	+1.00
779,000	65.00	+1.00
779,000	64.00	+1.00
779,000	63.00	+1.00
779,000	62.00	+1.00
779,000	61.00	+1.00
779,000	60.00	+1.00
779,000	59.00	+1.00
779,000	58.00	+1.00
779,000	57.00	+1.00
779,000	56.00	+1.00
779,000	55.00	+1.00
779,000	54.00	+1.00
779,000	53.00	+1.00
779,000	52.00	+1.00
779,000	51.00	+1.00
779,000	50.00	+1.00
779,000	49.00	+1.00
779,000	48.00	+1.00
779,000	47.00	+1.00
779,000	46.00	+1.00
779,000	45.00	+1.00
779,000	44.00	+1.00
779,000	43.00	+1.00
779,000	42.00	+1.00
779,000	41.00	+1.00
779,000	40.00	+1.00
779,000	39.00	+1.00
779,000	38.00	+1.00
779,000	37.00	+1.00
779,000	36.00	+1.00
779,000	35.00	+1.00
779,000	34.00	+1.00
779,000	33.00	+1.00
779,000	32.00	+1.00
779,000	31.00	+1.00
779,000	30.00	+1.00
779,000	29.00	+1.00
779,000	28.00	+1.00
779,000	27.00	+1.00
779,000	26.00	+1.00
779,000	25.00	+1.00
779,000	24.00	+1.00
779,000	23.00	+1.00
779,000	22.00	+1.00
779,000	21.00	+1.00
779,000	20.00	+1.00
779,000	19.00	+1.00
779,000	18.00	+1.00
779,000	17.00	+1.00
779,000	16.00	+1.00
779,000	15.00	+1.00
779,000	14.00	+1.00
779,000	13.00	+1.00
779,000	12.00	+1.00
779,000	11.00	+1.00
779,000	10.00	+1.00
779,000	9.00	+1.00
779,000	8.00	+1.00
779,000	7.00	+1.00
779,000	6.00	+1.00
779,000	5.00	+1.00
779,000	4.00	+1.00
779,000	3.00	+1.00
779,000	2.00	+1.00
779,000	1.00	+1.00
779,000	0.00	+1.00

## Dow Jones Bond Averages

By Type	Series	Chg.





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## BUSINESS BRIEFS

## Bonn Calls for a Rapid Response To Steel Restructuring Proposal

BONN — The government called on steelmakers Wednesday to respond urgently to a proposal to radically reshape the industry. It also threatened to seek action from the European Commission against subsidized steel imports if they continue to undermine prices in West Germany.

"The government expects the steel firms to make their decisions without delay," a government spokesman said after Wednesday's cabinet meeting. He said the cabinet discussed a report published Tuesday by three independent experts proposing that the bulk of West German steel producers be grouped into two giant units, a Rhine group and a Ruhr group.

Klockner, one of the six major steel companies, said Wednesday that it is willing to discuss the proposals, which include it in the Ruhr unit with Hoesch and Salzgitter.

## Anglo to Acquire Rest of Sigma

JOHANNESBURG (Reuters) — Anglo American Corp. of South Africa Ltd. and its subsidiary, Anglo American Industrial Corp., said they will buy Chrysler's 25 percent stake in Sigma Motor.

No financial details were given. At present Anglo American owns 38 percent of Sigma and AMIC 37 percent. After completion of the transaction, which is subject to U.S. government approval, the two Anglo companies each would own 50 percent of the car manufacturer.

A spokesman for Sigma said the company would continue manufacturing Peugeot, Mazda and Mitsubishi cars under license. He noted that Sigma will retain its relationship with Chrysler, which is a shareholder in Mitsubishi and retains the right to distribute any new Chrysler products in South Africa.

## Bouygues Nears Nigerian Contract

PARIS (Reuters) — Bouygues said Wednesday that it signed a letter of intent together with a water treatment concern, Degremont, to build a water treatment plant and related works at Adyana in Nigeria for about 300 million French francs (\$116 million).

A spokesman said the contract has not been made final, contrary to local press reports. The project, which is expected to take 2½ years to complete, includes the construction of two reservoirs, a pumping station, canals and several buildings.

## Jenkin Says Nissan Near Decision

LONDON (Reuters) — Nissan Motor is moving toward a decision to build a car plant in Britain, which could mean 5,000 new jobs and equal the total of existing Japanese investments in Britain, the British industry secretary, Patrick Jenkin, said Wednesday.

But he told Nissan executives and Sadao Yamamoto, minister of international trade and industry, that Japanese car imports to Britain may have to be cut if positive methods do not work to reduce Britain's huge trade deficit with Japan. The British official said on his return from a tour of Asia.

## Grundig Delays Telefunken Bid

FRANKFURT (Combined Dispatches) — Grundig, the West German consumer electronics giant, has said it is postponing its plans to take over the Telefunken division of AEG-Telefunken.

Grundig said Tuesday that the negotiations had been halted to wait for a conclusion to talks between Grundig and Thomson-Brandt, the French company that is seeking a controlling share of Grundig.

Under the plan, Grundig was to have bought a 26 percent share of the unprofitable Telefunken as well as assume complete management responsibility for the unit. AEG was to have retained 25 percent of Telefunken and a bank consortium led by Dresdner Bank was to have taken the rest.

## Company Notes

ENT's chairman, Umberto Colombo, resigned Wednesday after just three months as head of the Italian state energy company amid bitter disagreement over management. The government said he will resume his duties as chairman of the state nuclear energy unit ENEA.

Logo Computer Systems said it signed an agreement with Thomson-Brandt that will make its Logo software available to Thomson-Brandt personal computer users. Terms were not disclosed.

Domeit said it signed a further building contract with Saudi Arabia last month totaling \$37.2 million. The work is an extension to a building program for the construction of 4,000 dwellings already under way.

## New York Banks Lead West Coast

(Continued from Page 7) ordinary item, and not included in net operating income.

BankAmerica contended, however, that the amount was nominal. Some bankers think the Securities and Exchange Commission might object to the inclusion of the \$3.6 million in operating earnings.

Robert W. Frick, cashier of BankAmerica, said: "The \$3.6 million between 6 and 7 percent of our total earnings for the year. Generally, anything less than 5 percent is not considered to be material, and anything between 5 and 8 percent is borderline. We decided to put it at 6 cents in 1982, down from 68 cents in 1981."

In addition to Citicorp, other New York banks did well. Chemical New York Corp.'s return on each \$100 of average assets soared to 110 cents in the fourth quarter from 53 in the previous first quarter, and to 60 cents for the year, from 51 cents for 1981.

At Manufacturers Hanover, the

large portfolio of leases, which are comparable to fixed-rate, long-term loans, to turn a profit. Partly for this reason, its return on each \$100 of total assets rose to 54 cents in the fourth quarter of 1982 and to 50 cents for the year. In the fourth quarter of 1981, the return was 50 cents, and for the year, 46 cents.

It was a different story out West. One big California bank, First Interstate, which ranked first in terms of return on assets in 1981, slipped to seventh place in 1982, from 67 cents in 1981. For the year, its return was virtually unchanged, at 67 cents in 1982, down from 68 cents in 1981.

Richard J. Flanson 3d, Security Pacific's chairman and chief executive officer, attributed the strength of the company's earnings to "the effectiveness of our diversified and balanced earnings sources."

In New York, Chase reported a sharp decline in earnings. Its return on each \$100 of total assets dropped to 43 cents for the year, from 59 cents in 1981. For the quarter, it dropped to 56 cents, from 80 cents.

## Selected Over-the-Counter

Jan. 26

(Continued from Page 7) The sharp decline in Chase's earnings reflected large losses it had earlier in the year as the result of its dealings with Drysdale Government Securities Corp., a securities firm that is no longer in business with Penn Square Bank of Oklahoma City, which failed last July.

## French Retail Prices Rose 9.7% in 1982

PARIS — French retail prices rose 0.9 percent in December after an increase of 1 percent in November, the National Statistics Institute said Wednesday.

The institute, confirming estimated figures released earlier this month, added that the increase in prices for all of 1982 was 9.7 percent, down from 14 percent in 1981.

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